GOLDEN SUNLIGHT MINE, INC. PARTIAL PIT BACKFILL SUPPLEMENTAL EIS

PURPOSE OF THE BRIEFING DOCUMENT:

Golden Sunlight Mine, Inc. (GSM) is a conventional truck and shovel mine which processes gold-bearing ore using facilities located on public and private lands near Whitehall, Montana. GSM has conducted mining and mineral processing activities under Operating Permit No. 00065 since 1975.

The BLM and Montana Department of Environmental Quality (DEQ) issued a record of decision (ROD) in 1998 for expansion of the Golden Sunlight Mine. The EIS analyzed a partial pit backfill alternative but it was dismissed after DEQ concluded, in part, that the alternative was not considered economically feasible. Environmental groups filed suit against DEQ claiming that the partial pit backfill alternative should have been selected as they believed was required by the Montana Metal Mine Reclamation Act.

A 2002 Montana state court decision required that GSM submit a partial pit backfill plan. GSM submitted this plan to the agencies on December 1, 2003. The Montana DEQ and BLM completed a supplemental environmental impact statement (SEIS) which fully evaluated the environmental impacts associated with partially backfilling the GSM pit, issuing separate but essentially identical records of decision in 2007.

ISSUES:

GSM mines approximately 10 million tons of rocks per year, of which 2.5 million tons are ore, and the remainder is waste rock. Approximately 300 million tons of wastes have been placed in waste rock dumps. The ore is milled and processed using a vat cyanide process, and tailings are pumped to a lined impoundment. An earlier impoundment has been reclaimed. In late 2007 GSM applied for a minor revision/plan amendment to deepen the pit, called the 5B Optimization. This proposal would not have any environmental impacts that have not been covered by existing NEPA/MEPA documents. No new surface disturbance was proposed with this revision which was approved in February 2008.

Because the rock at GSM has high potential for "acid rock drainage," effective reclamation is crucial. Extensive research and monitoring of several reclaimed waste dumps and highwalls has helped the mine and agencies determine what reclamation practices are most effective. Surface water management is an important part of a successful reclamation plan. Together managing mine dumps and surface water practices are aimed at protecting water quality below the mine site. Long-term water treatment is an integral part of the mine plan. GSM has posted a total bond of more than \$50 million to cover reclamation costs.

MAIN DECISION OR MESSAGE:

The BLM and DEQ completed an SEIS which fully evaluated the impacts of the proposed partial pit backfill plan. All backfill alternatives would result in ground and surface water quality degradation/violations. The selected alternative in the SEIS was the Underground Sump Alternative with Additional Visual Mitigation as this was the most protective of ground and surface waters. Collecting all pit water in the underground sump protects ground and surface water from any degradation or violations of water quality standards. Mine impacted waters will be pumped and treated following collection in the underground sump retained from Golden Sunlight's underground operations. Because of state court timing requirements, the DEQ and BLM did not issue a joint record of decision, as is the normal practice. The DEQ's ROD predated BLM's, though the two documents are essentially identical. The plaintiffs in the case returned to state court in late 2007, since the agencies did not select the pit backfill alternative.

BUREAU PERSPECTIVE:

Public interest in the mine is high. Golden Sunlight employs over 150 people and is an important source of revenue for Jefferson County. An SEIS scoping meeting was attended by over 200 people supporting the mine. In 2005 the mine produced 81,000 ounces of gold.

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